



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Butler Agricultural Society  
Butler County  
960 Four Mile Creek Road  
Hamilton, Ohio 45013

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Butler County Agricultural Society, Butler County, Ohio (the Society), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

### Cash

1. We tested the mathematical accuracy of the November 30, 2011 and November 30, 2010 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2009 beginning fund balances recorded to the November 30, 2009 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2011 and 2010 fund cash balance reported in the Quick books ledgers. The amounts agreed.
4. We confirmed the November 30, 2011 bank account balances with the Society's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the November 30, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the November 30, 2011 bank reconciliations:
  - a. We traced each debit to the subsequent December bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. We noted no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2011 and 2010. We also selected all receipts from the County Auditor's confirmation listing for 2010. There were no receipts from the County Auditor in 2011.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper account code(s). We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Admission/Grandstand Receipts**

We haphazardly selected one day of admission/grandstand cash receipts from the year ended November 30, 2011 and one day of admission/grandstand cash receipts from the year ended November 30, 2010 recorded in the receipts ledger and determined whether the receipt amount agreed to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc). The amounts agreed.

### **Privilege Fee Receipts**

We haphazardly selected 10 privilege fee cash receipts from the year ended November 30, 2011 and 10 privilege fee cash receipts from the year ended November 30, 2010 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

### **Rental Receipts**

We haphazardly selected 10 rental cash receipts from the year ended November 30, 2010 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was recorded in the proper year. We found no exceptions.

### **Junior Livestock Auction**

1. We selected three livestock auction sales. For each sale, we:
  - a. Agreed the sale amount recorded in the cash receipts book to:
    - i. The auction bid records
    - ii. Bank deposit from the sale
    - iii. The seller's invoice
    - iv. The amount on the check written to the seller.

We found no exceptions.
  - b. Also agreed the auction bid records to:
    - i. The sum of the buyer's invoice amount plus the amount the third-party bidder agreed to pay, as documented on market animal sale program report.
    - ii. Bank deposit for the purchase

We found no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of November 30, 2010.
2. We inquired of management, and scanned the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. The Society issued one new commercial loan during 2011 for \$1,000,000. A payment schedule has not been finalized and repayment has not yet begun.
3. The Society did not record in the receipts ledger \$4,042 of loan proceeds received in October 2011.
4. For new debt issued during 2011, we inspected the debt legislation, noting the Society must use the proceeds to finance construction of commercial building. At November 30, 2011, the Society had an unspent balance of \$995,958, which was spent as of May 5, 2012.
5. We inquired of management, scanned the receipt ledger, and scanned the prior agreed upon procedures report and determined that the Society obtained a loan in 2011 as permitted by Ohio Rev. Code Section 1711.13(B). We examined the Society's computation supporting the total net indebtedness from loans. Contrary to Ohio Rev. Code Section 1711.13(B), the total net indebtedness exceeded twenty-five percent of its annual revenues.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (legislatively approved rates and salaries). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended November 30, 2011 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the third quarter of 2011. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes, social security, & Medicare	November 30, 2011	November 14, 2011	\$831.12	\$831.12
State income taxes	October 31, 2011	October 29, 2011	\$451	\$451
City of Hamilton	October 15, 2011	October 24, 2011	\$147.51	\$147.51

The City of Hamilton income tax withheld was paid nine days after the due date.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Expenditure Report for the year ended November 30, 2011 and ten from the year ended 2010 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Expenditure Ledger and to the names and amounts on the supporting invoices. One credit card purchase on check number 7076 to BankCard Services for an expenditure to Kroger's on July 24, 2010 for \$61.20 did not have supporting documentation.
  - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

**Compliance – Contracts & Expenditures**

We inquired of management, who informed us of one construction contract in effect during 2011 and 2010. We read the contract with Hutspiller Contractors, Inc. for the construction of the new building and noted that it did not require the contractor pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract did not include the Ohio Department of Commerce's schedule of prevailing rates. We also noted that it did not require the contractor to incorporate the prevailing wage requirements for its subcontracts. Furthermore, the contract contained no amount for the construction of the new building.

**Officials' Response:**

We did not receive a response from Officials to the exceptions reported above.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Society, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

September 26, 2012

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**BUTLER COUNTY AGRICULTURAL SOCIETY**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 09, 2012**